



## **Business and Biodiversity Platform: 1st Annual Conference**

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**Karmenu Vella** - Commissioner for Environment, Maritime Affairs and Fisheries

Brussels, Business and Biodiversity Platform: 1st Annual Conference

Ladies and Gentlemen,

It is my great pleasure to welcome you all to this First Annual Conference on Business and Biodiversity.

This conference comes right at the start of my mandate – and the timing could not be better:

It will certainly set the tone for the next five years.

Ideally it will be the soundboard for the message that biodiversity and the economy are not opposite poles, far from it.

Protecting biodiversity creates jobs, stimulates investment and gives our European industry a competitive edge. And at times of recession, it presents us with a number of economic opportunities offered by environmental protection. In fact I would rephrase that because these opportunities do not come only during recessionary periods but also during times of economic growth.

This is precisely the “Green Growth” agenda which is at the core of my mission for the coming years.

Granted, we are not starting from scratch. If we think about it, ten years ago there was no such thing as the phrase: “*business and biodiversity*”. Up until five years ago, very few were familiar with the concept.

Now, we can firmly say that is no longer a concept but a reality. In fact we are proudly hosting a dedicated conference on this reality with the participation of an increasingly keen audience. This means that this reality is fast picking up in the industry; that the benefits for business and society are becoming more evident; and that “business and biodiversity” has become a key component of green growth.

### **The Platform**

We greatly owe the change in conviction and the progress achieved so far, to the EU Business & Biodiversity Platform, which I warmly congratulate.

When it was launched in 2008 there was a clear educational gap to be filled - most people had still to grasp the idea and the importance of biodiversity.

But the Platform helped spread awareness and advocated businesses to find their own way to stop biodiversity loss by 2020.

As a result, business and biodiversity initiatives started to crop up across Europe and we can now talk of a National Business and Biodiversity Platform for each EU member state.

Between businesses, NGOs and Business Associations the Platform now counts over 170 organisations.

We are already moving forward with Phase 2, which engages businesses of all sectors towards specific work streams and tangible results.

### **Biodiversity makes Economic sense**

So progress is happening as we speak. But we need more change, and we need it fast.

Business efficiency makes a lot of sense, and right now there is a lot of room for improvement. Business models need to change.

Let us imagine a multi-national company that is drawing up its development plans for the future. Obviously, the CEO and the Board would expect a clear overview of the current and projected state of

the company's financial, human, intellectual and material capital.

Now, try and imagine that CEO and Board being candidly told "sorry, but this kind of information is not available, it does not even exist – you have to base your plans on a bundle of assorted statistics, unreliable evidence and guesswork".

Rather illogical, no? No major company could ever be run in such a disorganized manner. And yet, this is precisely the case for the natural capital of our planet Earth. We need to develop Natural Capital Accounting methodologies.

Smart economics necessitates that we stop squandering and start *managing* the world's limited resources - rationally and efficiently.

All this, ladies and gentlemen, eventually translates into profits. And this is the main message to all of you here today who come from the private sector.

Let us look for a moment at the possible spin-offs that a business – any business – can derive from decisive environmental action.

First, there is the positive perception. Caring for nature improves your brand image and the confidence of your consumers.

Second, an environmentally sound business policy reduces the risk of having to adapt to future environmental regulations.

Third, and most importantly, the most efficient and environmentally responsible businesses are often the most profitable.

A recent analysis which looked at Standard & Poor's 500 companies established that corporations with sustainability strategies outperform the others.

This was again confirmed by another 40 plus studies by the likes of the Economist Intelligence Unit, Goldman Sachs, MIT etc. which show that companies committed to environmental goals have a competitive advantage over the others.

This positive correlation cannot, in my view, be a coincidence.

### **Biodiversity makes sense for us all**

But it is not only about profits. It is also about our own wellbeing.

Our Biodiversity Strategy and Action Programme are very clear about this. We protect biodiversity, not only because it is the right and ethical thing to do, but also because it is in our own self-interest to do so!

Think of the consequences for example, if we were to poison the food we eat or pollute the air we breathe. On the other hand, think of the benefits of having someone cleansing our food or purifying our air. In this respect, there are many similar instances where the ecosystem greatly contributes to our wellbeing.

One example is water purification by forests. The drinking water of Vienna is totally purified by the surrounding 32,000 hectares of forests of the *Schneealpe* mountains - eliminating the need for a water treatment plant!

Pollination is another such example of a similar service. 35% of the food resources of France depend on pollination, mostly by insects and bees. In the entire EU, insect pollination has an estimated economic value of 22 billion Euros per year. That is almost 6 times the annual budget of the country I come from!

And what about jobs? In Europe, there are 15 million jobs in natural resource-based activities which are highly dependent on ecosystem services.

And I am sure you can come up with more and better examples as to how the ecosystem is positively affecting our daily lives.

Obviously, if we could manage better our ecosystem, then we could get much more out of it. And here we have to pause and reflect..... because we can only manage our ecosystem better if we have enough data and information about it. And here again I stress the need to develop better metrics and measurements for the state of nature if we really want to be able to manage it properly. This is why the EU recommends that Member States develop and mainstream Natural Capital Accounting

methodologies - for countries to use in national accounts and for businesses to be able to use over the whole production and supply chain.

And this is my message to the government representatives present here today.

Natural capital accounting will allow both the public and private sectors to understand better and monitor more efficiently how much we depend on nature's resources – and more importantly how much we are impacting on them.

### **The role of European industry**

If I were to ask the question "Is it worth embarking on an environmental project?" I do not think that there is any doubt in anyone's mind. Of course it's worth it.

The combination of business and biodiversity could contribute towards improving our economy – in terms of jobs, growth and investment.

EU companies are already central players in the global economy and it is they who need to drive the change.

Our companies are already strong in eco-industries and eco-innovation. They currently supply a third of the global market for green technologies - worth a trillion Euros and expected to double by 2020.

As another example, the Natural Economy North West initiative in the United Kingdom estimated the direct gross value added from green construction solutions at 3.2 billion euro... supporting over 100 000 jobs.

Green Infrastructure investments, from energy-efficient roofs and walls in construction, to the ecological restoration of degraded habitats, create a good number of high and low-skilled jobs, as well as a lot of innovation across many sectors.

I know we have some representatives of Green Infrastructure among us today and I would like to commend and urge them forward.

So what is stopping us from jumping ahead of the competition?

Of course there are challenges. A lack of financing has been a major obstacle in the past, and private sector financing still leaves a lot to be desired.

In a way that's understandable. Projects that invest in natural capital are innovative by definition, and their benefits need to be demonstrated through pilots.

This is the objective of the Natural Capital Financing Facility, which is currently being established by the European Investment Bank and the European Commission. I am certain that once set up, the facility will show that investments can generate revenues for businesses in the private sector, *and at the same time* deliver on nature and biodiversity objectives.

I am sure you will hear a lot more about all this during the rest of the day.

To conclude - today's conference will present many inspiring experiences - innovative businesses and organisations throughout the EU which are already developing new technologies and business models that are mutually beneficial to businesses and nature.

Hopefully, at the end of the day, you will also be convinced that the EU is doing a lot to nurture our natural capital - and this in line with what is also being done at global level.

But the final message that I would like you to take home is that for a genuine Green Growth we now need a paradigm shift. President Juncker said that Europe deserves a financial and an economical triple-A rating. But we also want a triple-A rating in our environment.

And this we can only achieve with your action and support.

Thank you.

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